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TAGS: [PGOV](#) [EUN](#) [BU](#)
SUBJECT: RELIEVED BULGARIA ACKNOWLEDGES NEED TO CONTINUE EU
ACCESSION REFORMS

Classified By: Amb. John Beyrle for reasons 1.4 (b) and (d)

11. (C) SUMMARY: Bulgarians' satisfaction over receiving the green light for a January 2007 entry into the European Union has not been dampened by the threat of "safeguard" actions if certain reforms are not completed following accession. Ruling coalition politicians have put a positive spin on the report; opposition party leaders have praised the European Commission's (EC) recommendation, but criticized the government for failing to prevent continued monitoring. Much of the criticism is politically motivated, coming as it does in the heat of the presidential election campaign. Ordinary Bulgarians, on the other hand, privately express gratitude that the EU will still be looking over their leaders' shoulders to make sure reforms continue. The GOB has not clarified specifically how it will reinvigorate its reform efforts to avoid safeguards, nor has the EU shared its view of what exactly it considers the measures of success. When pressed by the Ambassador, Interior Minister Petkov had little to offer in terms of a plan to meet the EU's demands in the area of Justice and Home Affairs (JHA). END SUMMARY

OK, YOU CAN COME IN - BUT WE'RE STILL WATCHING YOU

12. (U) The EC's September 26 report on Bulgaria and Romania's entry gave both countries the go-ahead for admission in just over three months. The report acknowledges Bulgaria has made significant progress since the previous EC report released last May, but must reinvigorate efforts in the areas of justice and home affairs, food safety and the disbursement of EU subsidies. The EC report says that "accompanying measures" - a code word for the long-debated safeguard clauses) can be invoked if Bulgaria does not meet the EU's criteria.

13. (U) Specifically, Brussels called for renewed efforts in the following areas:
--Judicial reform: Constitutional amendments to strengthen judicial independence and accountability; adoption and implementation of a new Judiciary Act and Civil Procedure Code; professional, non-partisan investigations into high-level corruption; and regular inspections of public institutions and publication of assets owned by high-level government officials.
--Organized Crime: Systematic confiscation of criminal assets.
--Money Laundering: The report cites stalled legislation and a lack of successful prosecutions.
--Strengthened financial control over structural and cohesion funds.
--Agriculture: Creation of a system for administration of agricultural funds.
--Food safety: No exports of Bulgarian pigs or their meat to the EU unless Classical Swine Fever is eradicated.
--Aviation Safety: EC warns it could restrict access to the internal aviation market if Bulgaria does not address serious

problems in aviation safety.

¶4. (U) The EC said a significant chunk of expected economic aid will be made conditional on the completion of further reforms in the recommended areas. Bulgaria is required to report regularly on its progress, with the first report due by March 31, 2007. Unless it shows sustainable progress, the EC may decide) at any time over the next three years - to apply sanctions under the safeguard clauses. At some point, the EC will also set up a "mechanism to cooperate and verify progress" in judicial reform and the fight against corruption and organized crime.

¶5. (C) This last area has consistently been Bulgaria's Achilles' heel. The Ambassador met with Interior Minister Petkov September 28 to try to discern his plan to meet the EU's demand to step up the fight against corruption and organized crime. Petkov said that draft legislation now being considered by parliament would give police officers greater investigative powers and a freer hand to conduct electronic and physical surveillance. He gave no details of any broader plan for the next six months that would help Bulgaria avoid the imposition of safeguards, though, and spent much of the meeting criticizing the procuracy and assets forfeiture commission chief.

TOP EU OFFICIALS VISIT SOFIA TO SHOW SUPPORT

¶6. (U) EC President Jose Barroso and Enlargement Commissioner Olli Rehn flew to Sofia a day after the release of the report to meet top officials and encourage further reforms. The two said Bulgaria is now well prepared to join the EU on Jan 1, 2007. Barroso called the report "objective and fair," and said that the accompanying measures need not be dramatized.

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Rehn said that he believes accompanying measures should be considered as a powerful incentive to guarantee the sustainability and irreversibility of reforms.

POSITIVE REACTION; POLITICALLY-MOTIVATED CRITICISM

¶7. (U) Representatives of the ruling center-left coalition, formed last year with EU accession as its top priority, reacted with enthusiasm to the EC report while acknowledging there is still more to be done to meet the bloc's criteria. "This is the real and final fall of the Berlin Wall for Bulgarians," Prime Minister Sergei Stanishev said in a televised address in which he thanked the Bulgarian people for their efforts on the tough road towards EU accession. But the PM also struck a realistic note, warning his country should continue its reform drive and hard work to integrate socially and economically into the Union. In a non-partisan move rare for Bulgarian politics, he thanked his center-right predecessors Ivan Kostov and Simeon Saxe-Coburg for their governments' reformist efforts.

¶8. (U) President Georgi Parvanov, a staunch advocate of Bulgaria's EU accession since he took office five years ago, said the forthcoming EU entry was a milestone in Bulgaria's modern history. "The country has signed a number of treaties in its history, but this one finally places it on equal ground with the rest of the European nations," said Parvanov, who is seeking re-election on October 22. Government ministers also hailed the EC report. Foreign Minister Ivailo Kalfin said Bulgarians have every reason to be proud of the EC's decision but warned Bulgarians not to expect miracles after January 1.

¶9. (U) The leaders of the fragmented center-right opposition also praised the 2007 entry date but slammed the government for failing to prevent tough monitoring. The most skeptical comments came from former PM Ivan Kostov, whose center-right government launched EU accession talks in 2000 and carried

out some of the most unpopular reforms. Bulgaria will join the EU "under quarantine," said Kostov, who heads the Democrats for Strong Bulgaria party, adding that the report reflected Brussels' mistrust of the current government. Former President Petar Stoyanov, who now heads the center-right Union of Democratic Forces, said the EC report showed what he called the government's failure to implement EU-related reforms.

¶10. (C) Bulgarian officials have fanned out across EU capitals to make Bulgaria's case and to lobby for enlargement ratification where it is still pending. Prime Minister Stanishev met with Chancellor Merkel in Berlin on September 28. The German Ambassador here told us that Stanishev was impressive, and said there would be "a lot of noise" in the Bundestag over Bulgarian accession, "but no real problem."

COMMENT

¶11. (C) Under the circumstances, the Commission's report was the best Bulgaria could have hoped for. Opposition assertions that Bulgaria is joining the EU "under quarantine" aside, most Bulgarians seem to welcome continued monitoring by Brussels. One opposition MP called it "the political equivalent of the currency board" that regulates Bulgarian monetary policy. Another MP acknowledged to us that "monitoring is humiliating for the political elite but welcomed by ordinary citizens." The EC's formula of granting admission in January while continuing to monitor under threat of sanctions is probably the most effective one they could have chosen. Bulgaria has made tremendous progress over the past several years, as the report acknowledges, but still has work to do in areas important to the U.S.: judicial reform, anti-corruption, money laundering, and the fight against organized crime, areas where we have been assisting the GOB for years. It is still not clear that Bulgarian institutions, particularly the Justice and Interior Ministries, are sufficiently energized for the task.

¶12. (SBU) The EC's report gives Bulgaria the encouragement and time needed to continue its reforms, as well as the incentive to move quickly. The threat of safeguards may also give the government political cover to make much-needed changes in politically and socially sensitive areas. Bulgaria has come a long way; however, it still has a long way to go before it is fully accepted by its new fellow club members.
BEYRLE